IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE S.SIRI JAGAN

FRIDAY, THE 13TH JULY 2007 / 22ND ASHADHA 1929

WP(C).No. 19210 of 2007(J)

PETITIONER:

M.C.BABU, S/O.CHANDI,
MULANKOTHARA HOUSE, PANATHOOR, PANATHADY VILLAGE,
HOSDURG, KASARAGOD (DIST).

BY ADV. SMT.GOVINDU P.RENUKADEVI
SRI.T.B.SHAJIMON

RESPONDENTS:

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1. RESERVE BANK OF INDIA, REPRESENTED BY
ITS CHAIRMAN, NEW DELHI.

2. STATE OF KERALA, REPRESENTED BY ITS
SECRETARY, FINANCE DEPARTMENT, SECRETARIAT,
THIRUVANANTHAPURAM.

3. CHIEF MANAGER, STATE BANK OF INDIA,
KANHANGOD BRANCH, KANHANGOD, KASARAGOD.

SRI.S.K.MOHAMED SAJEER
R1 BY STANDING COUNSEL FOR RBI SRI.P.JACOB VARGHESE.
R2 BY GOVT. PLEADER SRI.I.V.PRAMOD.
R3 BY STANDING COUNSEL FOR SBI SRI.K.K.CHANDRAN PILLAI.

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 13/07/2007, ALONG WITH WPC NO. 19211 AND 19215 OF 2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

S. SIRI JAGAN, J.

WP(C) NO. 19210, 19211 & 19215 OF 2007

Dated this the 13th day of July, 2007

J U D G M E N T

The petitioners in these writ petitions are borrowers of agricultural loans from the third respondent. All of them had defaulted repayment of loan amounts. The contention of the petitioners in these writ petitions is that in view of the pathetic situation of farmers of Andhra Pradesh, Karnataka and Kerala, the Reserve Bank of India has issued certain directions to the banks in those States in the form of a circular which is produced as Ext.P3 in all cases and the petitioners are entitled to the benefits of the same for rescheduling the loan as stipulated in the said circular. The petitioners therefore seek the following reliefs:- (All the prayers in the three writ petitions are same and only loan account number is different. So, I quote the relief of the petitioner in W.P(C) No.19210/2007 as follows):-

"1. Issue a writ of mandamus directing the respondent to consider and pass orders in Ext.P2 within a time limit.
2. Issue writ of mandamus directing the respondent to reschedule the loan in loan account No.sPs5/508 as per Ext.P3 with all its benefits.
3. Declare that the petitioner is entitled to get his loan rescheduled as per Ext.P3 Circular issued by the 1st respondent.
4. Stay all further proceeding in recovery of loan amount in loan account No.Ps.5/508 till the final disposal of this writ petition.
5. Pass any other order or direction deems fit and proper to the circumstances of this case and thus render justice."

2. The learned Standing Counsel for the bank stoutly opposes the prayer. According to him, the loans were availed of in 1996 and 1998 and after availing of loan, no amount whatsoever has been paid by the petitioners and revenue recovery proceedings have also been taken in 2001, in spite of which also the petitioners have not paid any amount. In fact, the third respondent is not averse to grant to the petitioners, benefits as per Ext.P3. The petitioners have been directed to present

themselves before the bank for discussion in respect of the same and they have not turned up, is the contention raised by the Standing Counsel. He would submit that for consideration of the prayers of the petitioners, they should be directed to pay a substantial portion of the amount in default.

3. I have considered the rival contentions in detail. As is common knowledge, the situation of farmers in Kerala is pathetic because of loss of crops on account of the vagaries of nature. Several farmers have committed suicide over the past few years. It has been a great concern for the Government also. I am of the opinion that the bank also should take note of the situation and give the farmers, who had availed of loans, maximum benefit as possible under law. Now that the Reserve Bank has issued Ext.P3 Circular which is binding on the third respondent, they should make earnest efforts to give maximum benefits to the petitioners in accordance with the circular. However, I feel that the petitioners should pay some amount in

repayment as a token of their bona fides.

4. Accordingly, the writ petitions are disposed of as follows:-

Each of the petitioners shall pay an amount of Rs.10,000/- (Rupees ten thousand only) to the third respondent within one month from today. On receipt of the same, the third respondent shall consider the claim of the petitioners under Ext.P3 and grant them maximum benefits that can be given as per Ext.P3. Needless to say, further proceedings for coercive recovery shall be kept in abeyance and the petitioners shall abide by the orders to be passed in accordance with Ext.P3, strictly.

S. SIRI JAGAN,
Judge

Mbs/

S.SIRI JAGAN, J

W.P.(C) NO. OF 2001

J U D G M E N T

DATED:01-06-2007